RR1 Safety First

General Introduction
Making investment decisions or financial decisions in general can be quite difficult and may not be something you look forward to doing. You are a very cautious investor and do not like taking financial risks. As a result, you may not like investing in assets that can go up and down in value, for example an investment property or shares.
For retirement planning however, because there is a risk that future inflation may reduce the purchasing power of your fund at retirement, you realise that there are advantages to investing in more risky assets that may go up and down in value, for example shares and property. This is because the potential for growth is higher than for safer assets such as cash.

Your approach to savings and investments
When it comes to lump sum investments and regular savings, safety is your main priority and you would feel very uncomfortable with any investment that could cause you losses, even if it offers you a higher potential return. As a result, you will look for options that give you security and some certainty about the level of your return.

Your approach to saving for retirement
When it comes to funding your pension, you recognise that having a 'safe' approach to investment could mean that the performance of the pension fund may not beat inflation over the longer term and that a more risky approach is necessary to cope with this. You accept that with this approach comes the risk of your fund value going up and down over the term of the plan. If you are not happy with this investment approach, a ~~choice of low risk funds~~low-risk cash fund is available which reduces the risk of ~~volatility~~ these ups and downs over the term of your pension plan. You should be aware that this approach greatly reduces the potential for growth and increases the risk that inflation may erode the value of your pension fund. You should discuss these options with your financial adviser.

It is important that you review this to ensure this is an accurate reflection of your attitude to risk.

RR2 Careful

General Introduction

You are a ~~very~~ careful person, and you probably do not enjoy making investment decisions. You will tend to focus firstly on ways to limit ~~or, if possible, remove~~ the risks on your investments before you think about the growth opportunities. For retirement planning however, because there is a risk that future inflation may reduce the purchasing power of your fund at retirement, you realise that there are advantages to investing in more risky assets that may go up and down in value, for example, shares and property. This is because the potential for growth is higher than for safer assets such as cash.

Your approach to lump sum investments

If you were making a lump-sum investment, you would only be willing to accept low levels of ups and downs and you are happy to sacrifice growth opportunities to reduce these potential ups and downs~~you would look for options that give you protection but you would not need a specific level of return~~. You will consider investments with a low potential for loss, but this allows you to consider investments with growth potential ahead of traditional cash or deposit investments.~~If there is a way to increase the growth of your investment, you will consider it once a significant portion of your capital is secure.~~

Your approach to regular savings

When it comes to making regular savings you will look for options that give low levels of ups and downs over the long term in return for a better potential return. You understand that regular savings allow you invest in a manner that reduces the timing risk of investing in financial markets. Regular savings allow you buy more units when markets are low and buy less units when markets are more expensive. As a regular saver you take a medium to long-term view, allowing you take slightly more risk than you would with a once-off lump sum investment.

Your approach to saving for retirement

When it comes to funding your pension, you recognise that having a 'careful' approach to investment could mean that the performance of the pension fund may not beat inflation over the longer term and that a more risky approach is necessary to cope with this. You accept that with this approach comes the risk of your fund value going up and down over the term of the plan. If you are not happy with this investment approach, a ~~choice of low risk funds~~low-risk cash fund is available which reduces the risk of ~~volatility~~ these ups and downs over the term of your pension plan. You should be aware that this approach greatly reduces the potential for growth and increases the risk that inflation may erode the value of your pension fund. You should discuss these options with your financial adviser

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RR 3 Conservative

General Introduction

You are a medium risk profile investor with a tendency to lean towards taking a cautious approach. When it comes to investments, you are willing to venture a little to get the opportunity for a better reward. You are not intimidated by making investment decisions although it may not be an area that you take a very active interest in. You may have some experience of investing some of your money in assets, for example managed funds that can go up and down in value.

Your approach to lump sum investments

If you were making a lump-sum investment, you would be willing to accept~~ a~~ low to medium levels of ups and downs to improve your chances of getting a better return than deposit accounts tend to give. ~~For example, you may want some of your money invested in a capital secure option, but would be willing to take some risk with the rest to get a higher return.~~

Your approach to regular savings

~~When it comes to making regular savings you will look to control the ups and downs over the long term in return for a good potential return.~~ You understand that regular savings allow you invest in a manner that reduces the timing risk of investing in financial markets. Regular savings allow you buy more units when markets are low and buy less units when markets are more expensive. As a regular saver you take a medium to long-term view, allowing you take slightly more risk than you would with a once-off lump sum investment.

Your approach to saving for retirement

You recognise that over the long term, it is necessary to invest in assets like bonds, shares and property if you want your pension to have a good chance of providing a good potential return in the long term. When it comes to planning for your retirement you will accept a medium amount of ups and downs in return for a good potential return.

It is important that you review this to ensure this is an accurate reflection of your attitude to risk.